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Message Text

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ACTION EB-07

INFO OCT-01 CIAE-00 COME-00 DODE-00 NRC-05 NSAE-00 TRSE-00

EUR-12 ERDA-05 ISO-00 SSO-00 ERDE-00 /030 W
---------- 054516
O 201609Z JAN 76
FM USMISSION OECD PARIS
TO SECSTATE WASH DC IMMEDIATE 0171

C O N F I D E N T I A L SECTION 01 OF 02 OECD PARIS 01795

EXCON

E.O. 11652: XGDS1
TAGS: ESTC, COCOM, GW, UR
SUBJECT: GERMAN GAS SEPARATION PLANT TO USSR
IL 1110 AND 1145

REF: (A) COCOM DOC (75)1283, (B) STATE 230826

1. GERMAN DELEGATE, ON INSTRUCTIONS, CALLED ON USDEL JANUARY 20, AND PRESENTED A LETTER, OF WHICH THE TEXT FOLLOWS (SALUTATION AND CLOSE OMITTED):

"MY AUTHORITIES HAVE INSTRUCTED ME TO WRITE TO YOU AS FOLLOWS:

"WITH COCOM DOC. (75)1283 OF 26 JUNE 197S, THE GERMAN DELEGATION HAS REQUESTED THE COMMITTEE'S APPROVAL TO EXPORT A NATURAL GAS SEPARATION PLANT TO THE USSR. THE UNITED STATES RESERVE WHICH HAS BEEN JUSTIFIED WITH THE UNITED STATES AUTHORITIES' STRATEGIC CONCERN OVER AN INCREASE OF THE SOVIET HELIUM POTENTIAL (SEE COCOM DOC. (75)2031, PARAGRAPH 2) HAS SO FAR NOT BEEN WITHDRAWN.

"IN THE MEANTIME, THE GERMAN AUTHORITIES HAVE, ON THE BASIS OF MORE EXACT INFORMATION CONCERNING THE SIZE OF THE DELIVERY AND THE DETAILS OF THE GAS
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SEPARATION PLANT, REEXAMINED THE GERMAN COCOM REQUEST.

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THE RESULT OF THIS REEXAMINATION IS THAT ACCORDING TO ADMINISTRATIVE PRINCIPLE 3, THE COMMITTEE'S APPROVAL IS NOT NECESSARY SINCE THE EMBARGOED PARTS OF THE PLANT, VIZ. HELIUM LIQUEFACTION AND HELIUM STORAGE, ARE NOT THE PRINCIPAL ELEMENT OF THE ENTIRE PLANT AND CAN NOT FEASIBLY BE REMOVED OR USED FOR OTHER PURPOSES.

"THE FOLLOWING RELATIONS SHOULD BE KEPT IN MIND:
A) VALUE OF THE TOTAL PLANT: 134.600.000 $
VALUE OF THE HELIUM LIQUEFACTION: 6.150.000 $
VALUE OF THE STORAGE TANKS: 1.150.000 $

B) 1) METHANE FRACTION: 1.737.000 NM3/H
2) ETHANE FRACTION 59.000 NM3/H
3) PROPANE FRACTION 49.000 NM3/H
4) HELIUM FRACTION 895 NM3/H

"THE EMBARGOED PART OF THE PLANT HAS A TOTAL VALUE OF 7.300.000 $ AND, THUS, AMOUNTS TO ONLY 5.5 OERCENT TO THE VALUE OF THE TOTAL PLANT. THE HELIUM FRACTION IN COMPARISON WITH THE TOTAL FRACTION IS INSIGNIFI-CANTLY SMALL.

"THE REMOVAL OF THE EMBARGOED PART FROM THE TOTAL PLANT AND ITS USE FOR OTHER PURPOSES IS NOT POSSIBLE SINCE THE PLANT HAS BEEN SPECIALLY DESIGNED FOR THE CHEMICAL COMPOSITION OF THE ORENBURG GAS.

"THE GERMAN DELEGATION, THEREFORE, INTENDS TO WITHDRAW THEIR COCOM REQUEST IN THE NEAR FUTURE.

"FURTHERMORE, FOR THE FOLLOWING REASONS, THE STRATEGIC CONCERNS EXPRESSED BY THE UNITED STATES GOVERNMENT ARE NOT SHARED BY THE GERMAN AUTHORITIES:

1. THE CIVILIAN SCIENTIFIC AND INDUSTRIAL USE OF HELIUM OUTWEIGHS ITS MILITARY USE IN A RELATION OF 99 : 1.

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2. THE USSR HAS ALREADY TODAY FROM ITS OWN CAPACITY, AMOUNTS OF HELIUM WHICH ARE GREATER THAN ITS MILITARY NEEDS.

3. THE USSR HAS THE POSSIBILITY TO INCREASE ITS HELIUM PRODUCTION WITH ITS OWN MEANS. FURTHERMORE, THE TECHNOLOGY OF HELIUM SEPARATION AND HELIUM LIQUE-FACTION IS KNOWN IN EASTERN EUROPE. THIS ESTIMATION

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HAS BEEN CONFIRMED BY THE UNITED STATES COCOM

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ACTION EB-07

INFO OCT-01 CIAE-00 COME-00 DODE-00 NRC-05 NSAE-00 TRSE-00

EUR-12 ERDA-05 ISO-00 SSO-00 ERDE-00 /030 W
---------- 054623
O 201609Z JAN 76
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TO SECSTATE WASH DC IMMEDIATE 0172

C O N F I D E N T I A L SECTION 02 OF 02 OECD PARIS 01795

EXCON

DELEGATE IN HIS LETTER OF 27 JULY 1971 ADDRESSED TO
THE CHAIRMAN OF COCOM.

"4. THERE IS AN EXCESSIVE OFFER OF HELIUM ON THE
WORLD MARKET (WITHIN THE LAST FW YEARS, THE PRICE
OF HELIUM HAS GONE DOWN FROM 19.20 $ TO 3.85 $ PER
NME).

"5. HELIUM ITSELF IS NOT COVERED BY EMBARGO.

"ALL THESE CIRCUMSTANCES HAVE INDUCED THE FEDERAL
GOVERNMENT TO ITS PRESENT ATTITUDE, IN PARTICULAR
SINCE THE REALIZATION OF THIS EXPORT WILL ENABLE
THE APPLICANT TO ASSURE FOR THREE MORE YEARS THE
EMPLOYMENT OF 2000 WORKERS WHOSE JOBS ARE OTHERWISE
ENDANGERD."

2. GERMAN DELEGATE SAID THAT GERMAN EMBASSY IN
WASHINGTON HAD BEEN INSTRUCTED TO INFORM THE DEPART-
MENT OF COMMERCE OF GERMAN DECISION. HE ADDED THE
COMMENT THAT WHILE THE LETTER DOES NOT EXPRESSLY SO
STATE, IT OBVIOUSLY FOLLOWED THAT HIS AUTHORITIES
INTEND TO APPROVE THE EXPORT. HE SAID HIS DELEGA-

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TION WOULD BE MAKING AN APPROPRIATE STATEMENT
TO COCOM IN DUE COURSE.
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Message Attributes

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Control Number: n/a
Copy: SINGLE
Draft Date: 20 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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